

CHANGE IN SPENDING

Note: Calculations exclude spending on fuel

LAST 7 DAYS VS. SAME WEEK LAST YEAR	LAST 30 DAYS VS. SAME PERIOD LAST YEAR	LAST 52 WEEKS VS. SAME WEEKS YEAR PRIOR
SPENDING	SPENDING	SPENDING
+1.95%	+2.48%	+1.49%
TRANSACTIONS	TRANSACTIONS	TRANSACTIONS
+1.07%	+2.59%	+0.50%

THIS WEEK AT A GLANCE

Spending back to normal as holidays wind down

After two long weekends in a row for some of the country, it looks like households tightened their belts a bit last week. Consumer spending was almost back to 'average' growth levels last week, up 1.95% on a year prior, while transactions were up 1.07%. Both of these figures are less than half of the results we saw a week earlier.

Spending was up in eight out of 18 categories we measure, driven largely by fuel and its continued high prices. Transactions saw growth in seven categories.

Going up

 Travel agents	+25.6%
 Fuel	+15.0%
 Hardware and homeware	+8.7%



Cheap travel a win for consumers and agents

As airlines compete with one another for record numbers of Kiwis travelling overseas, travel agents seem to be enjoying their time in the sun. Last week spending at travel agents was up 25.6% on the same time a year ago, while the average growth for the past 30 days has been 12.5%. Interestingly, transactions last week were actually down on last year, -1.2%. This suggests that the spending growth came from higher value purchases, such as long haul flights, rather than more people booking through agents.

Last week was particularly big for travel bookings following a special travel event over the weekend. The promotion saw return flights to Hawaii for less than \$700, and to London for an "unheard of" \$1099. While many people are likely taking advantage of deals such as these through online booking services, some of the specials are only available through travel agents, helping boost their consumer spending levels.

Promotional deals like these are a result of huge competition throughout the travel industry, as airlines increase their capacity and travel agents cut prices in a bid to attract the increasing number of locals travelling overseas. Last year more than 2.6m New Zealanders travelled overseas, an increase of 9% on 2015. As oil prices remain low, the currently high airline capacity through NZ looks to be maintained, a positive outlook for consumers looking to travel on the cheap.

NB: The BNZ Marketview Consumer Spending Series provides a measure of national consumer spending trends in the core retail categories (excluding fuel). It is based on the monthly credit and debit card spending of BNZ customers. It includes GST, but excludes other forms of electronic transactions such as overseas cards, gift cards, corporate and fuel cards. Numbers reported are actual values and volumes i.e. not seasonally or inflation adjusted. Accordingly the series may differ from other electronic transaction data reports.

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